

Iowa State  
Education Association

777 Third Street  
Des Moines, IA  
50309-1301  
tel 515.471.8000  
fax 515.471.8017  
www.isea.org

An affiliate of the  
National Education  
Association

September 16, 2009

Ms. Amanda Knief  
Legislative Service Agency  
Room G01  
State Capitol  
Des Moines Iowa 50019

Dear Ms. Knief:

The 34,000 members of the Iowa State Education Association (ISEA) would like to thank the legislators on the Legislative School Finance Formula Review Interim Committee for allowing us to submit comments pertaining to the Iowa School Finance Formula.

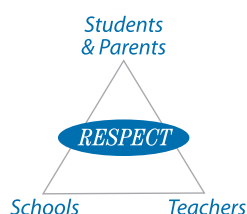
In general, the ISEA has found the Iowa School Finance Formula to be a good mechanism for making sure there is equity both in funding per student and in revenue sources being split fairly between local and state revenues. In fact, we think it is probably the premier system in the nation for addressing issues of equity.

The issue that we have had concerns with in the Iowa School Finance Formula is how it addresses adequacy. Adequacy can have many definitions, but we would like to define adequacy as sufficient funding to provide every Iowa student a quality education program. The Iowa School Finance Formula treats districts with declining enrollment very differently than constant or growing enrollment districts. We maintain with the inflationary costs of educational items being higher than the Consumer Price Index, even constant and growing enrollment districts can be disadvantaged depending on the allowable growth rate thus depriving students in Iowa with the absolute best education possible. To this end we encourage the Legislature maintain the allowable growth rates at or above 4 percent in the future.

We applaud the Legislature's efforts to raise average salaries in Iowa to 25<sup>th</sup> in the nation and their decision to move educator salary funding into the school finance formula. This emphasis shows the children, parents, citizens, and educators of Iowa that you are committed to this goal now and in the future by making sure that there is an inflationary increase provided and that issues like professional development are ongoing and tied to core curriculum and continuous school improvement plans.

However, an important component of the salary appropriations that still needs to be addressed in the school finance formula is reinstating the funding of Phase I. The categorical funding for this was eliminated late in the session last year. In reflection, it's clear that Phase I should have been included in the teacher quality roll-in into the formula. The elimination of Phase I resulted in teachers receiving a salary cut of up to \$1,300.

Therefore, the ISEA proposes that every district in Iowa be granted the option to increase their district cost-per-pupil to reinstate the Phase I funding they received in FY2008-09. This would ensure the commitment of raising educators' salaries to 25<sup>th</sup> in the nation is met.



Page 2  
ISEA Letter

The ISEA also supports funding for the Instructional Support Levy and believes it should be rolled into the school finance formula in the district cost and state aid cost-per-pupil and should be moved away from the categorical funding.

The ISEA believes the Legislature's decision to have the area education agencies (AEAs) included in the school finance formula early in the formula's existence and allowing AEA funding to be a component of the local district's budget has allowed Iowa to have premiere intermediary services and allowed services for special education, educational, and media services to be provided in an extremely economical manner and with the highest level of quality. In addition, the Legislature's action to include all educators employed at the AEAs in the teacher quality program fostered a team concept among educators in Iowa that is key to our successful public education system.

The ISEA advises caution if discussions are raised around school reorganization. We have long held the best way for schools to address this issue is through collaborative efforts fostered by incentives versus mandates from the Legislature. For schools to address this issue and for them to be successful all of the participants have to have ownership. We recommend that incentives for schools to share or reorganize be optional and that they be geared to improving educational quality. In the past, many of the incentives were geared to property tax reductions or the sharing of administrators or educators. Now, we strongly encourage the incentives be geared to improving the educational offerings so that students have access to more courses. Many of the incentives in the past did not allow for the expansion of programs but instead allowed the survival of limited courses that had been available prior to sharing.

While the ISEA has suggestions for improvement, we also believe the School Finance Formula has worked exceptionally well in Iowa. We appreciate your dedication to Iowa's children and public schools.

We're looking forward to discussing this important issue with you further on October 5.

Sincerely,

A handwritten signature in cursive script that reads "Chris Bern".

Chris Bern  
ISEA President